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IDENTIFYING OPPORTUNITIES. DRIVING DEVELOPMENTS.

CREATING VALUE THROUGH
DILIGENCE AND FORESIGHT

FINANCIAL YEAR 2018/2019

FRANKFURT/MAIN, 10 DECEMBER 2019

KEY FACTS AT A GLANCE

1.1 BILLION EURO FUNDRAISING FOR DBAG FUND VIII

- ▶ Volume of assets under management/advisory rises to around 2.5 billion euros
- ▶ DBAG increases co-investment commitments by more than 25 per cent

STRATEGIC DECISIONS BEAR FRUIT

- ▶ Increasing importance of new focus sectors
- ▶ A broader offering for Mittelstand companies

NET INCOME BEATS FORECAST

- ▶ Net asset value (pre-dividend) increases by around five per cent
- ▶ Industrial companies lag performance
- ▶ Dividend to rise to 1.50 euros per share

CAUTIOUS STANCE ON 2019/2020

- ▶ Industrial sector enters recession: industrial portfolio companies lag performance
- ▶ Structural changes in the automotive industry and trade conflicts trigger uncertainty that is likely to stay

Torsten Grede

- › Fundraising for DBAG Fund VIII
- › Strategic decisions
- › Outlook for 2019/2020

Susanne Zeidler

- › Targets and results in the past financial year
- › Further developments of the target system
- › Financial outlook

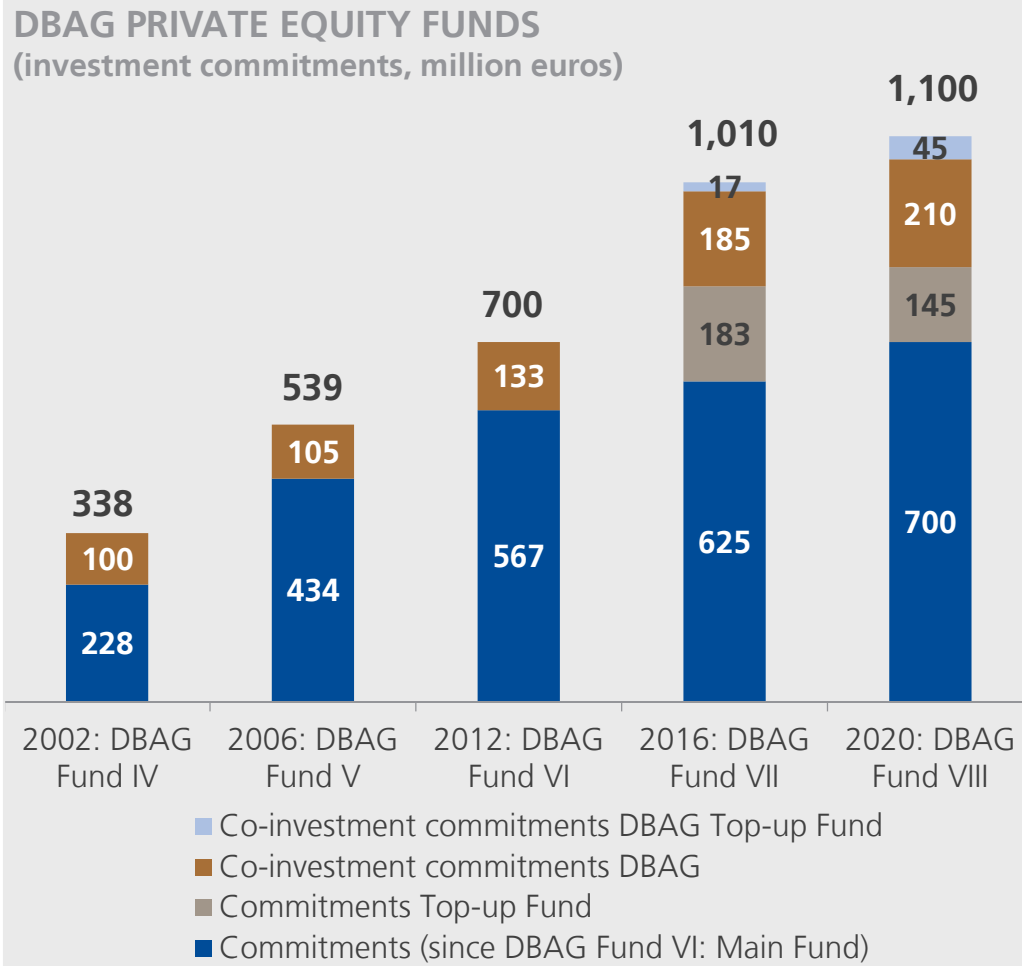


TORSTEN GREDE
Spokesman of the Board
of Management



SUSANNE ZEIDLER
Chief Financial Officer

DBAG FUND VIII: ANOTHER BRIEF FUNDRAISING, AT ATTRACTIVE TERMS



Target level: 1.1 billion euros

- › Commitments so far: 1.050 billion euros (including DBAG's co-investment programme)

DBAG's co-investment programme grows around 25 per cent to reach 255 million euros

- › of which: 210 million euros for the principal fund (DBAG Fund VII: 183 million euros)
- › of which: 45 million euros for the top-up fund (DBAG Fund VIII: 17 million euros)

Terms continue to be favourable

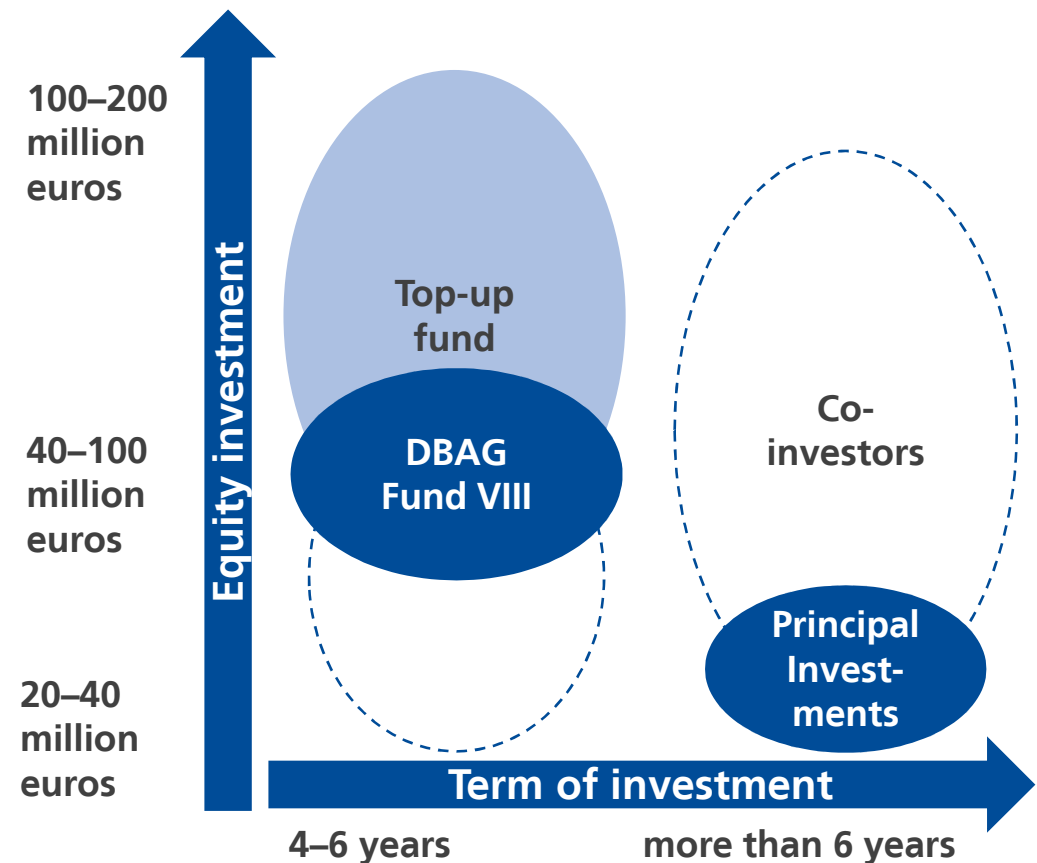
DBAG FUNDS AND PRINCIPAL INVESTMENTS ALLOW FOR BROAD MARKET COVERAGE

New: investments deploying only DBAG's own financial resources ("Principal Investments")

- › Investment opportunities beyond the investment strategy of the funds we advise
 - Scenarios in which long-term equity is required
 - In particular, minority shareholdings in family-owned businesses
- › Option of joining forces with co-investors

Selective smaller buyouts (20–40 million euros in equity) through DBAG Fund VIII

DBAG ECF investment strategy to be continued with Principal Investments and, on a selective basis, through DBAG Fund VIII (smaller MBOs)



Size does not correspond to investment volume

INVESTMENT STRATEGY: STRATEGIC DECISIONS SINCE 2013

INVESTITIONSTRATEGIE

EQUITY INVESTMENT
40–100 MILLION EUROS

INVESTMENT CASE
STRONG MARKET POSITION
AND DEVELOPMENT
POTENTIAL

SECTORS
FOUR CORE SECTORS
THREE NEW FOCUS SECTORS

REGIONS
GERMANY, AUSTRIA, SWITZERLAND
(DACH); NEIGHBOURING EUROPEAN
COUNTRIES (CORE SECTORS)

... HAS BEEN GRADUALLY EXPANDED OVER THE PAST YEARS

- › 2016: Top-up funds (DBAG Fund VII) for MBOs > 100 million euros
- › 2017: DBAG ECF – available for smaller-sized MBOs as well
- › 2020: Principal Investments

- › Focus on supporting portfolios with the aim of strategic repositioning
- › 42 acquisitions since 2011
- › Currently five buy-and-build platforms

- › Since 2013: investments expanded to include non-core sectors, subject to suitable access
- › New focus sectors: broadband telecommunications, IT services/software, healthcare

- › Market leader, with 53 MBOs in German mid-market companies since buyout business first started
- › Since 2015: Italian market covered

OUTSTANDING TRANSACTIONS IN 2019 BASED ON STRATEGIC DECISION-MAKING

blikk

- › Healthcare focus sector
- › Use of the top-up fund



inexio

- › Very successful disposal of the first investment belonging to the broadband telecommunications focus sector, with a capital multiple of 7.5x
- › Growth financing: capital increases, acquisition of further shares



Cloudflight

- › IT services/software focus sector
- › Acquired from company founders
- › Additional acquisition agreed as part of the transaction



Cartonplast

- › Industrial services core sector
- › MBO in DBAG Fund VII (closing in 11/2019)
- › Use of the top-up fund
- › DBAG's largest investment (26.0 million euros, 16.4 per cent stake)

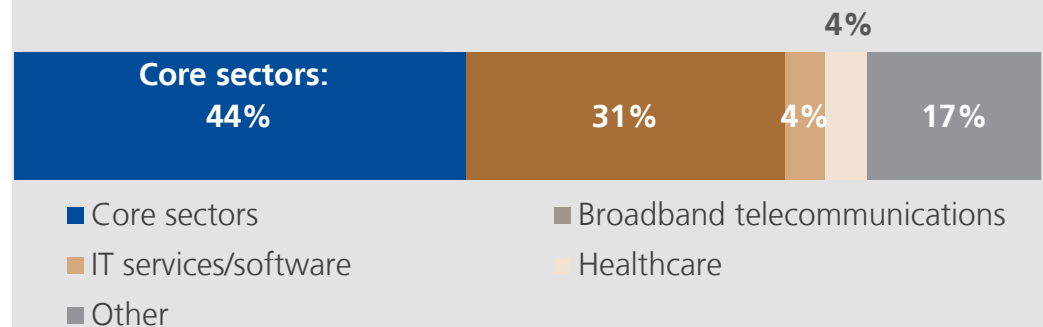


STRATEGIC DECISIONS LEAD TO PORTFOLIO CHANGES

PORTFOLIO STRUCTURE OCTOBER 2013



PORTFOLIO STRUCTURE SEPTEMBER 2019



Changes in the market

- › Number and volume of focus sector transactions are on the rise: one in three MBOs in 2018 stemmed from DBAG focus sectors
- › (Younger) company founders starting to embrace private equity

SUCCESSFUL INVESTMENTS THANKS TO AN EXPERIENCED TEAM

Growing and broadening our investment strategy is protected by the expansion of supporting functions

- › Research
- › Business development
- › Legal

HR re-positioned

- › Broader scope for selecting new members of the investment team
- › Stronger presence at European universities
- › Digitalised recruiting process

New non-financial objective of retaining experienced and motivated employees

Investment team to be expanded in 2019/2020

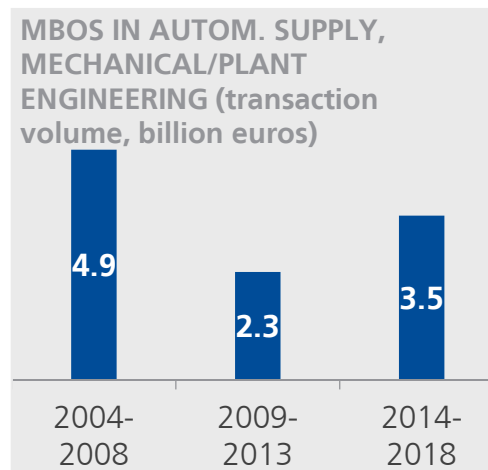
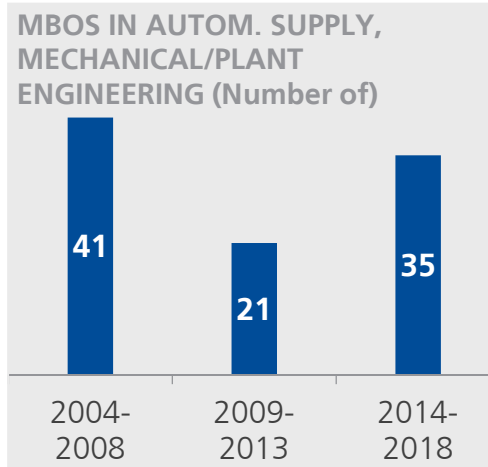


MBO MARKET CHANGES

Automotive supply as well as mechanical and plant engineering remain important sectors

- › Limited market potential, however
- › Business model selection more important than ever

Experience built over more than five decades helps to identify game-changing business models

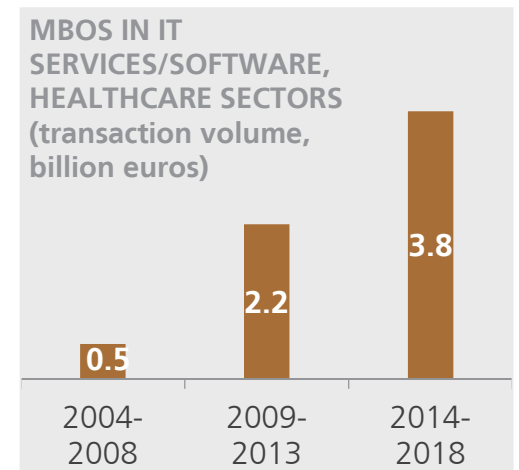
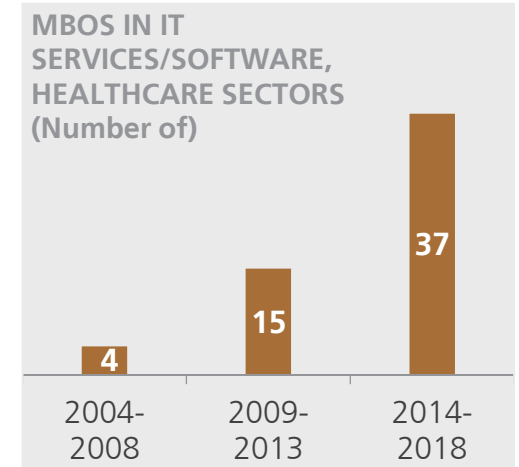


Focus sectors: strongly growing market volume

Sellers are mostly company founders

- › More open attitude towards private equity

Most markets are highly fragmented, with private equity enabling faster growth



Number and transaction volumes based on MBOs in the mid-market segment (transaction volumes between 50 and 250 million euros)

NEW FINANCIAL YEAR KICKS OFF WITH INCREASED UNCERTAINTY

MARKET COVERAGE

- Ongoing investment activity
- ▶ Financing: two-tier market – caution on industrial business models

PORTFOLIO DEVELOPMENT

- Strong acquisition pipeline
- ▶ Positive impact from change processes subject to delays in some cases

DEAL FLOW AND PRICES

- Stable, but with shifts from industrial to other sectors
- ▶ Pricing expectations remain demanding

FRAMEWORK SCENARIO 2020:

Ongoing uncertainty has an disproportionate impact on cyclical business models

- › Structural changes in the automotive industry
- › US-China trade conflict, Brexit and other protectionist efforts

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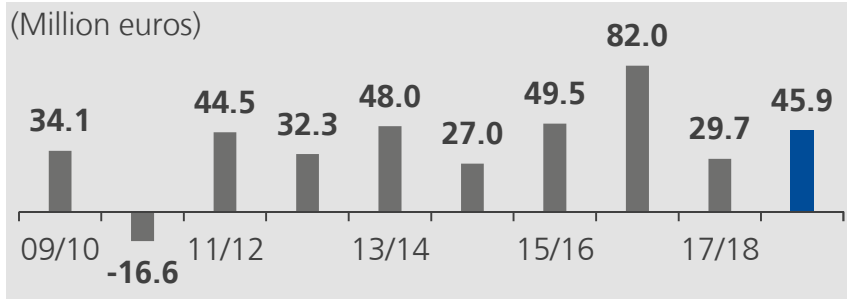


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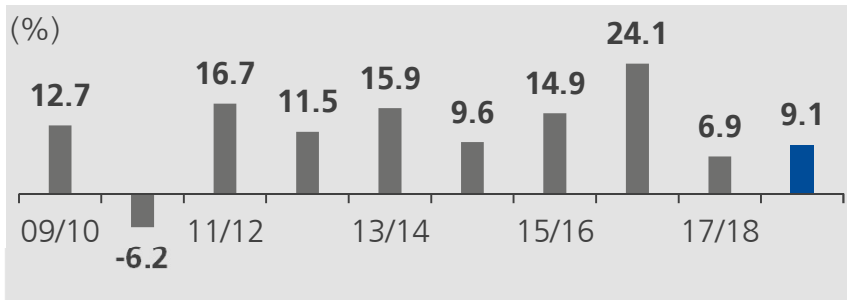
SUSANNE ZEIDLER
Chief Financial Officer

CORE BUSINESS OBJECTIVE ACHIEVED: LONG-TERM COMPANY VALUE HAS BEEN INCREASED



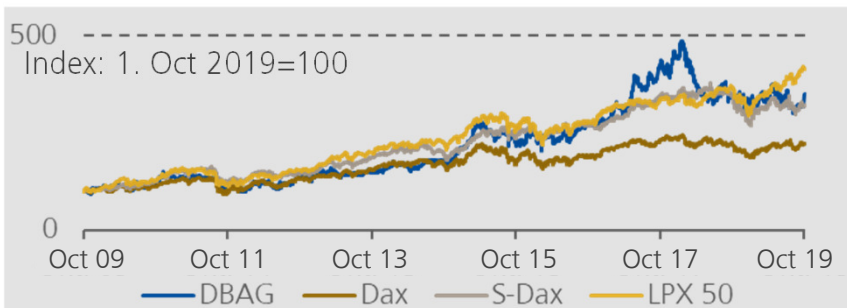
NET INCOME

45.9
MILLION EUROS



RETURN ON EQUITY PER SHARE

9.1
PER CENT



TOTAL SHAREHOLDER RETURN

2.0
PER CENT

TARGETS OF DEUTSCHE BETEILIGUNGS AG



FINANCIAL TARGETS

VALUE CONTRIBUTION
FROM
FUND INVESTMENT
SERVICES

BUILD THE VALUE
OF PORTFOLIO
COMPANIES

SHAREHOLDER
PARTICIPATION IN
SUCCESS – THROUGH
A STABLE (AND
PREFERABLY
INCREASING) DIVIDEND

CORE BUSINESS OBJECTIVE

LONG-TERM INCREASE OF DBAG'S ENTERPRISE VALUE

SUPPORT OF
PROMISING MID-SIZED
BUSINESS MODELS

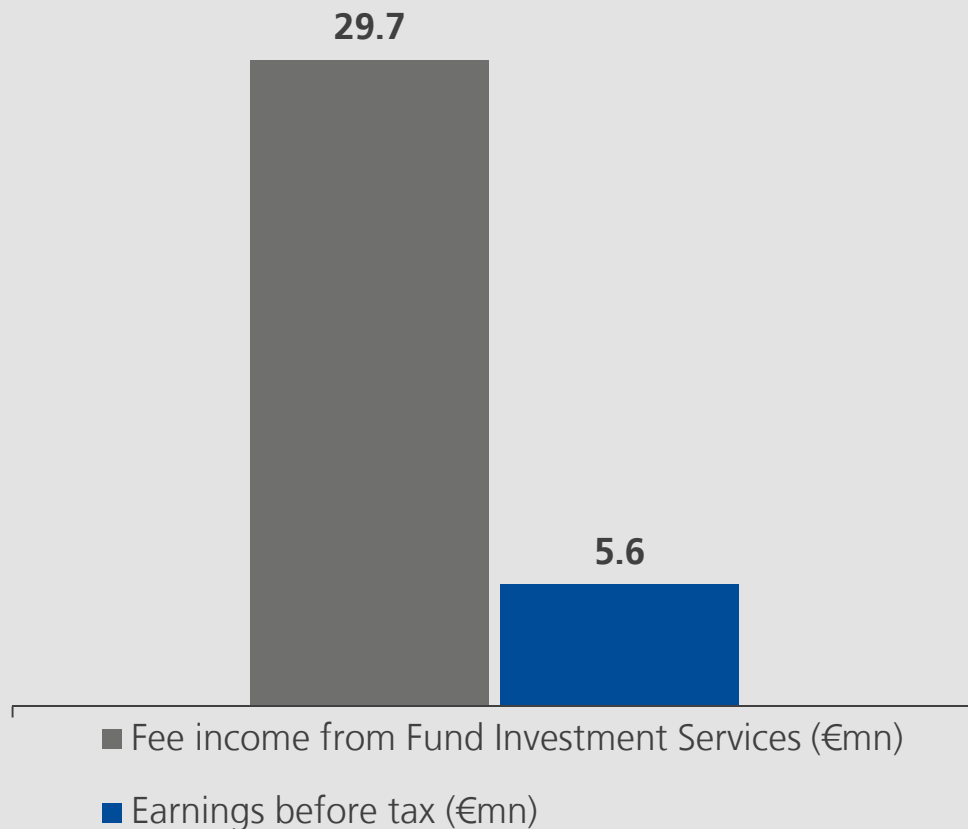
MAINTAIN AND BUILD
ON OUR REPUTATION
IN THE PRIVATE EQUITY
MARKET

GARNERING ESTEEM
AS ADVISORS
OF PRIVATE EQUITY
FUNDS

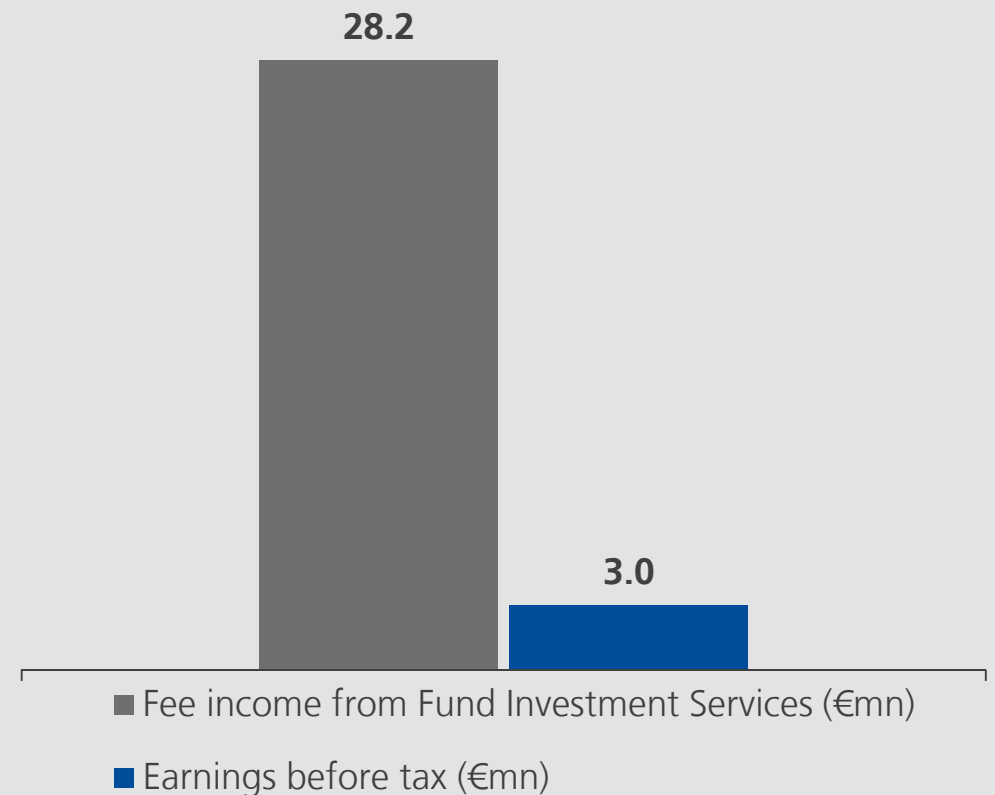
NON-FINANCIAL TARGETS

FUND INVESTMENT SERVICES MAKE SMALLER VALUE CONTRIBUTION THAN PLANNED, FOLLOWING DISPOSALS

FUND INVESTMENT SERVICES SEGMENT
2017/2018 (€mn)

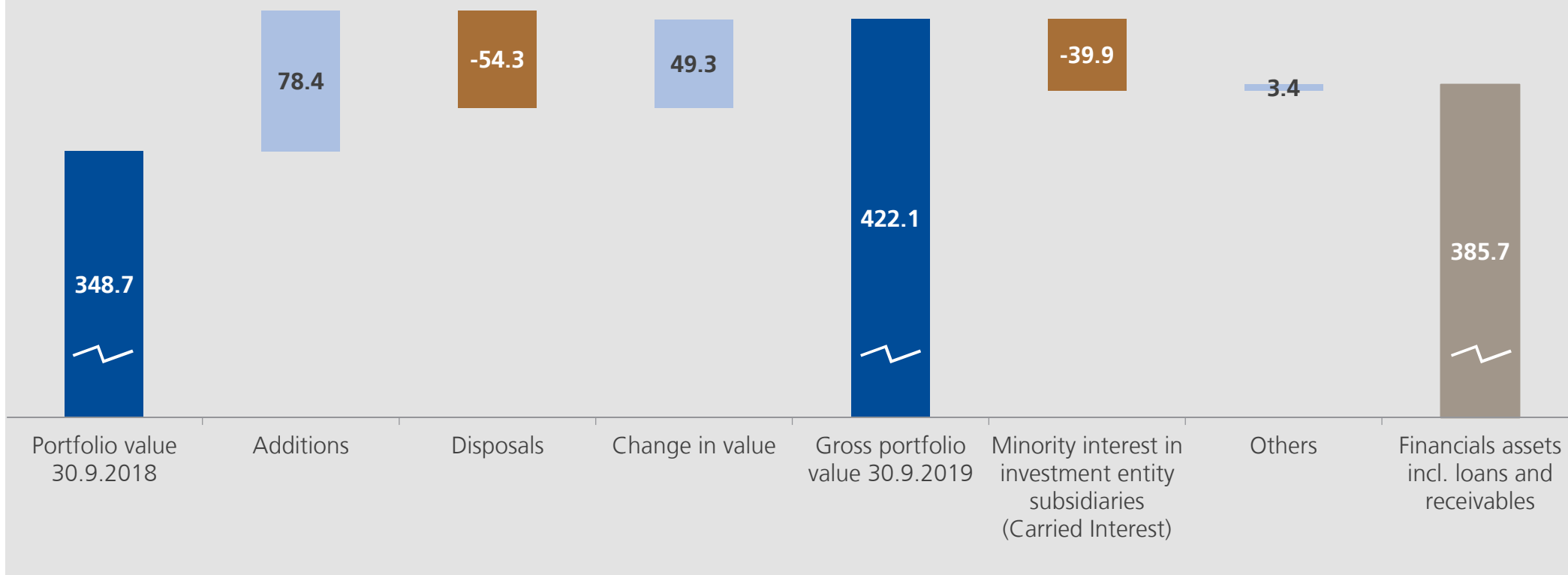


FUND INVESTMENT SERVICES SEGMENT
2018/2019 (€mn)



PORTFOLIO VALUE INCREASES BY 21 PER CENT

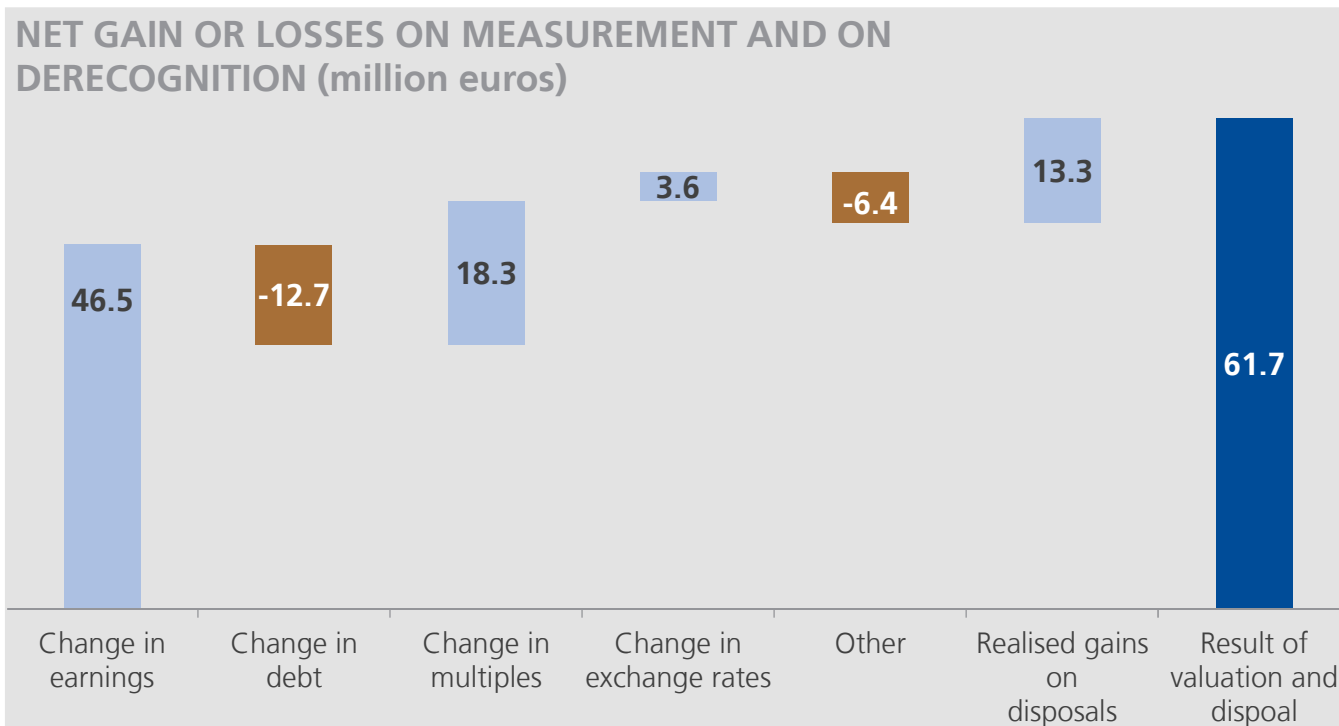
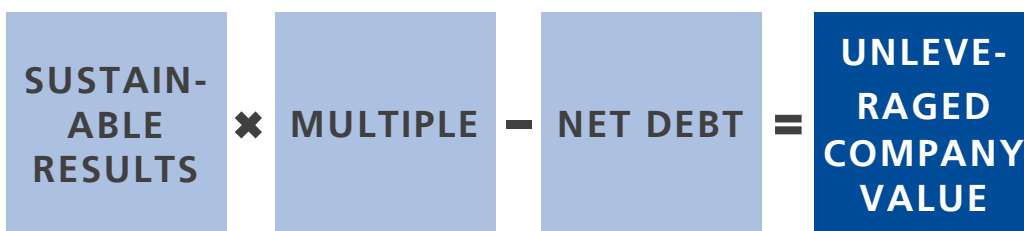
PORTFOLIO VALUE DEVELOPMENT (million euros)



"Other" predominantly reflects other assets and liabilities of investment entity subsidiaries

Portfolio value as at 30 Sept 2018 restated in accordance with IAS 8

SUCCESSFUL DISPOSALS LAY THE FOUNDATION FOR NET GAINS ON MEASUREMENT AND DERECOGNITION



* included in "Change in multiples"

Earnings contribution from disposals

- › Net gains and losses on derecognition: 13.3 million euros
- › Unrealised net gains and losses on derecognition resulting from the agreed disposal of inexo: 39.7 million euros*
- › Total: 53.0 million euros (previous year: 12.4 million euros)

Earnings contribution from changes in multiples

- › Adjusted for unrealised net gains and losses on derecognition: -22.7 million euros (previous year: 3.6 million euros)

Earnings contribution from the operating performance of the portfolio companies

- › Net amount of changes in earnings and changes in debt
- › doubled over the previous year (33.8 million euros, previous year: 16.1 million euros)

INDUSTRIAL COMPANIES SUFFER FROM RECESSION, FOCUS-SECTOR APPROACH PROVES SUCCESSFUL

Revenue growth

4.7%

Change in EBITDA

0.2%

Debt
(net debt/EBITDA)

2.4x

13 core sector
companies



Revenue growth

31.6%

Change in EBITDA

29.8%

Debt
(net debt/EBITDA)

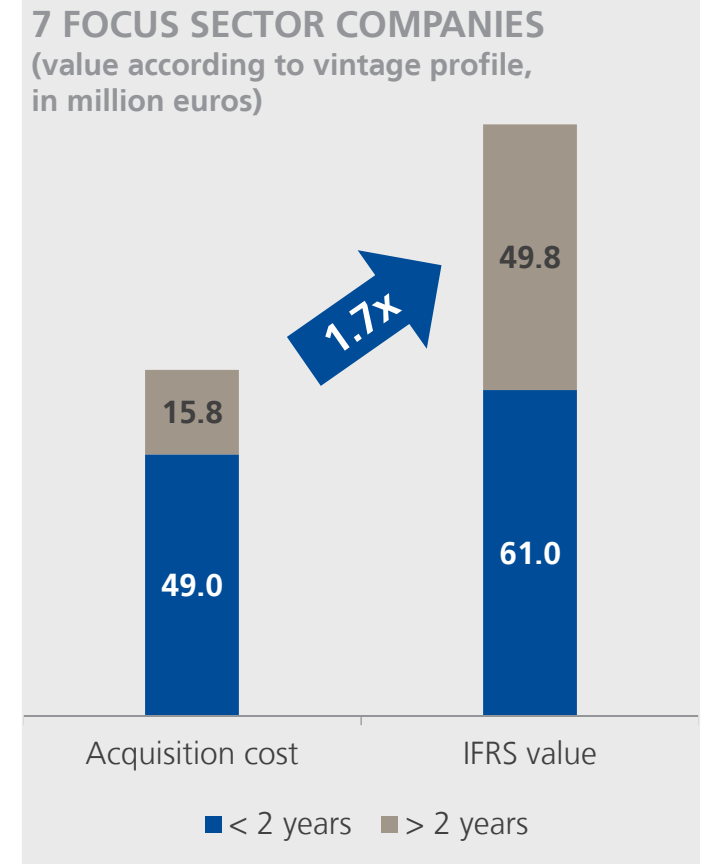
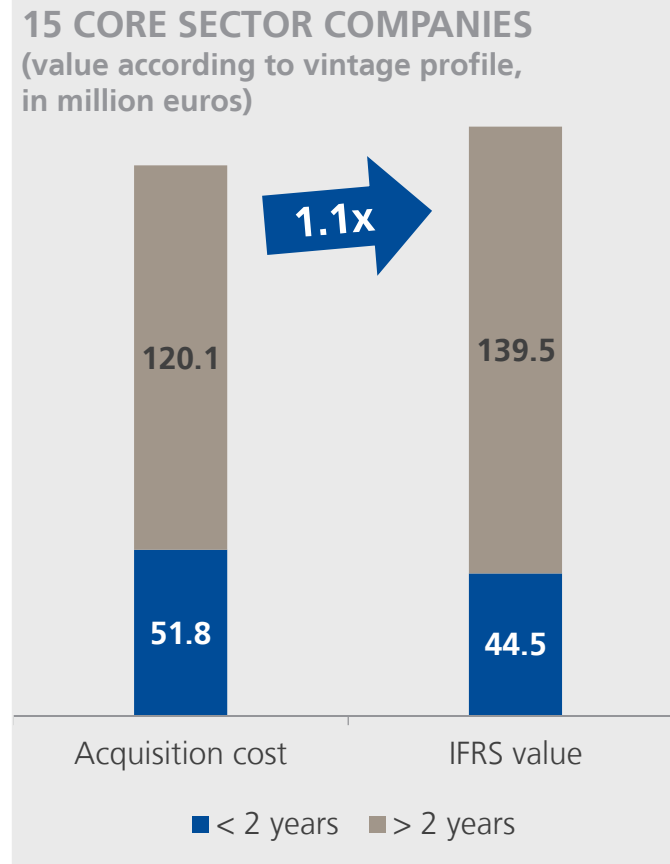
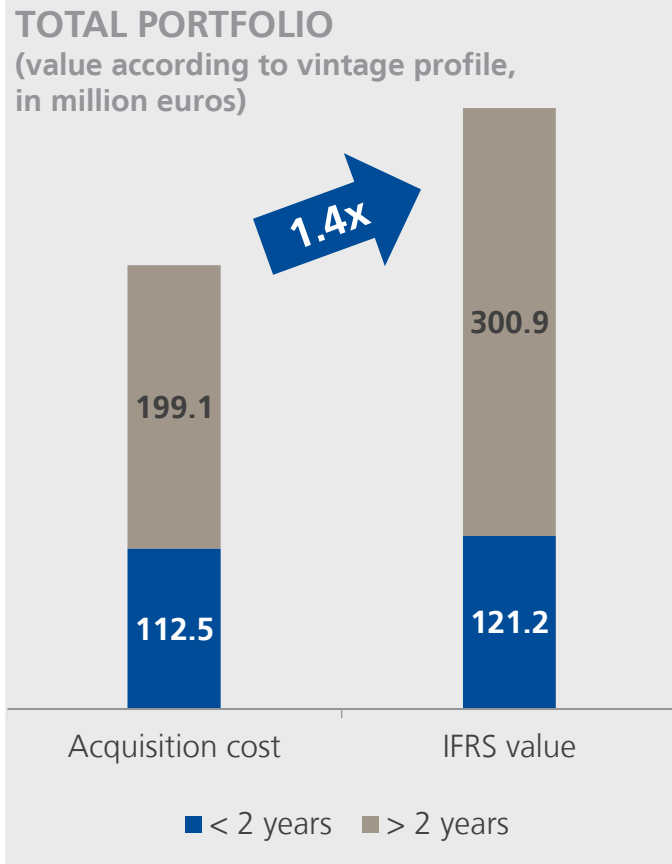
4.5x

4 focus sector
companies



Base date and value: portfolio companies that were present in the portfolio throughout 2018/2019, excluding inxio

SOME CORE SECTOR COMPANIES LAG PERFORMANCE



7.8x EBITDA

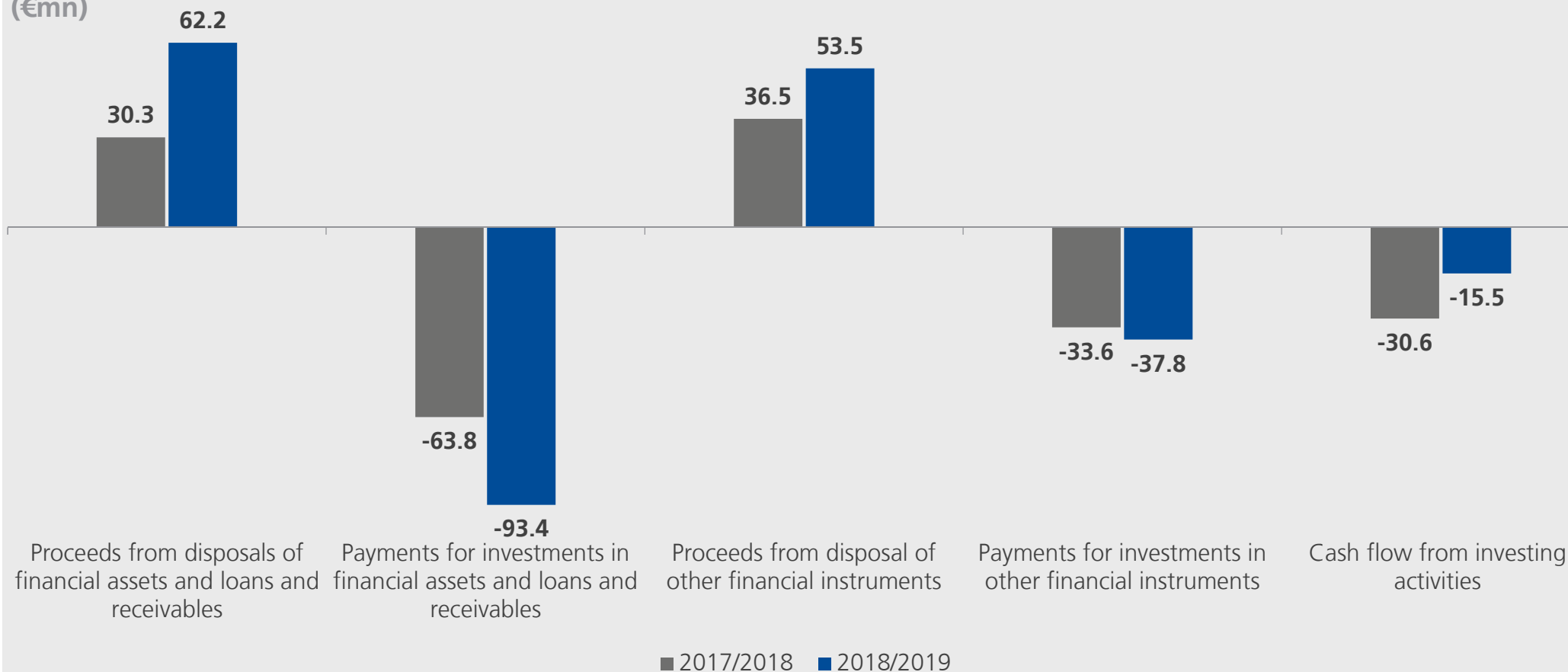
7.5x EBITDA

8.5x EBITDA

NET CASH OUTFLOW DUE TO INTENSE INVESTMENT ACTIVITY

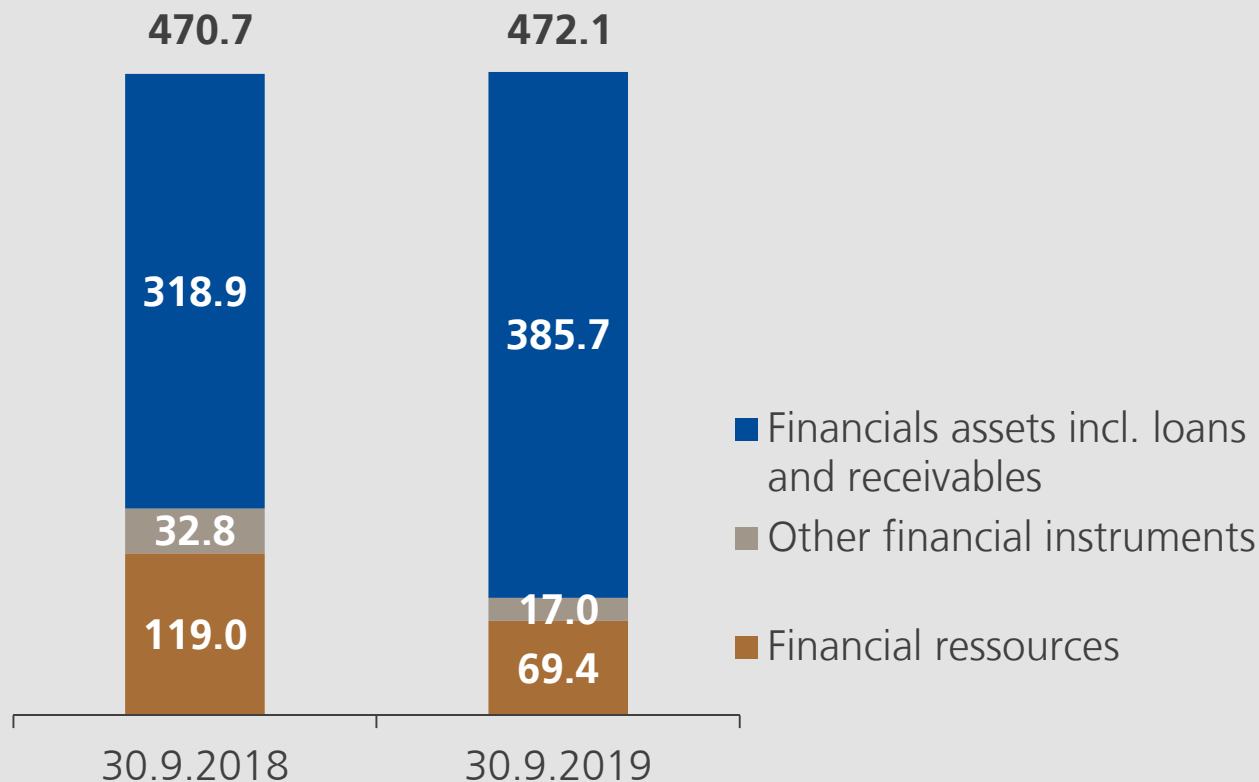
CASH FLOW FROM INVESTING ACTIVITIES

(€mn)



NET ASSET VALUE INCREASES BY 5.2 PER CENT ADJUSTED FOR DISTRIBUTION

NET ASSET VALUE (€mn)



Distribution of 21.8 million euros in February 2019

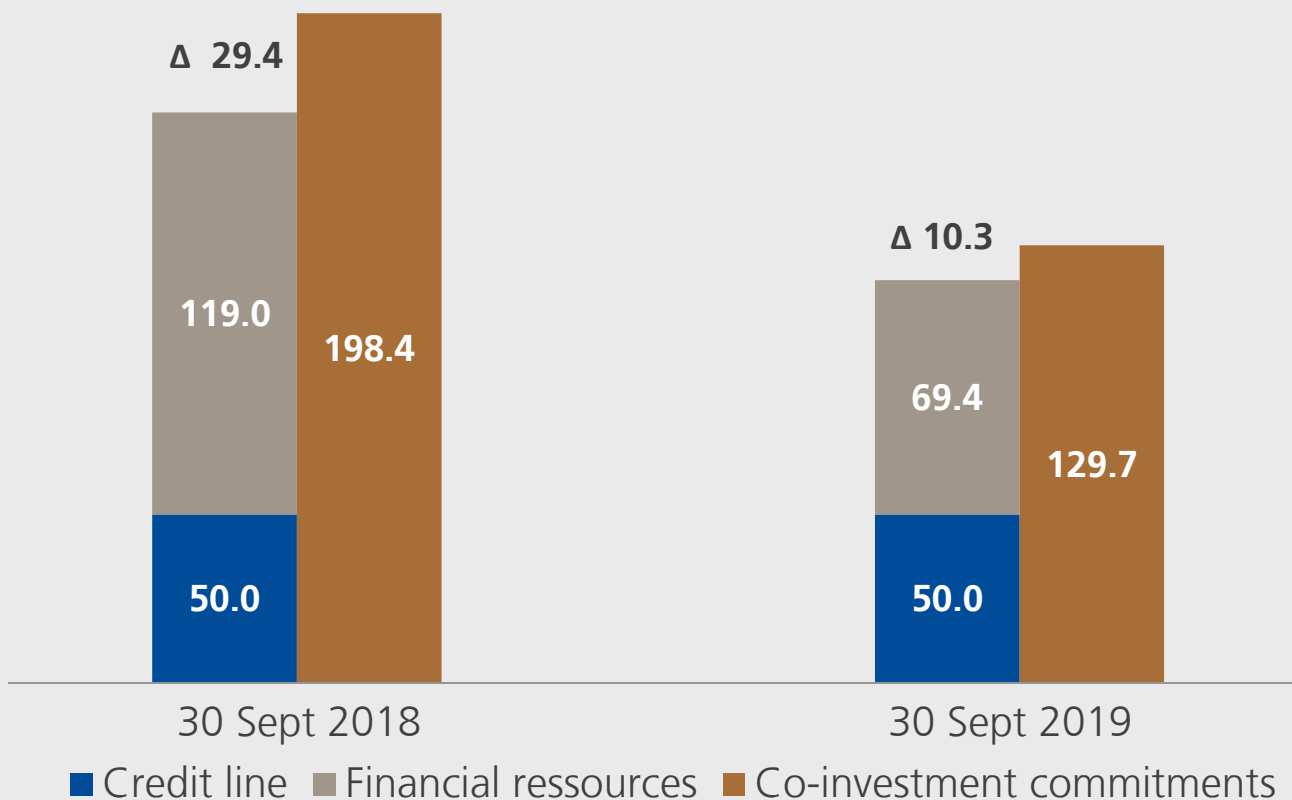
- > Restricting growth in net asset value
- > Consciously-accepted conflict of goals

Special effects distort financial resources as per both reporting dates

- > As at 30 Sept 2018: overstated by advisory fees for FY 2018/2019 already received and to-be-paid-up capital call; 13.4 million euros in total
- > As at 30 Sept 2019: understated by withholding tax assets and pending advisory fees; 10.9 million euros in total

CASH AND CASH EQUIVALENTS PLUS CREDIT LINES LARGELY COVER CO-INVESTMENT COMMITMENTS

(million euros)



Returns from inexo disposal

- > Following closure of the in the new financial year
- > 44 million euros in total

With the start of the DBAG Fund VIII investment period, co-investment commitments are to rise by 255 million euros

Principal Investments drive liquidity requirements

HAVING SHAREHOLDERS PARTICIPATE IN OUR SUCCESS: DIVIDEND PROPOSAL RAISED TO 1.50 EUROS

STABLE DIVIDEND

- ▶ Net retained profit (HGB) allows for stable dividend, also for subsequent financial years

HIGHER, WHENEVER POSSIBLE

- ▶ Dividend proposal translates into an increase of four percent year-on-year

ATTRACTIVE DIVIDEND YIELD

- ▶ Compared with the market (S-Dax) and other PE companies

**DIVIDEND
2018/2019**



1.50

EUROS PER SHARE

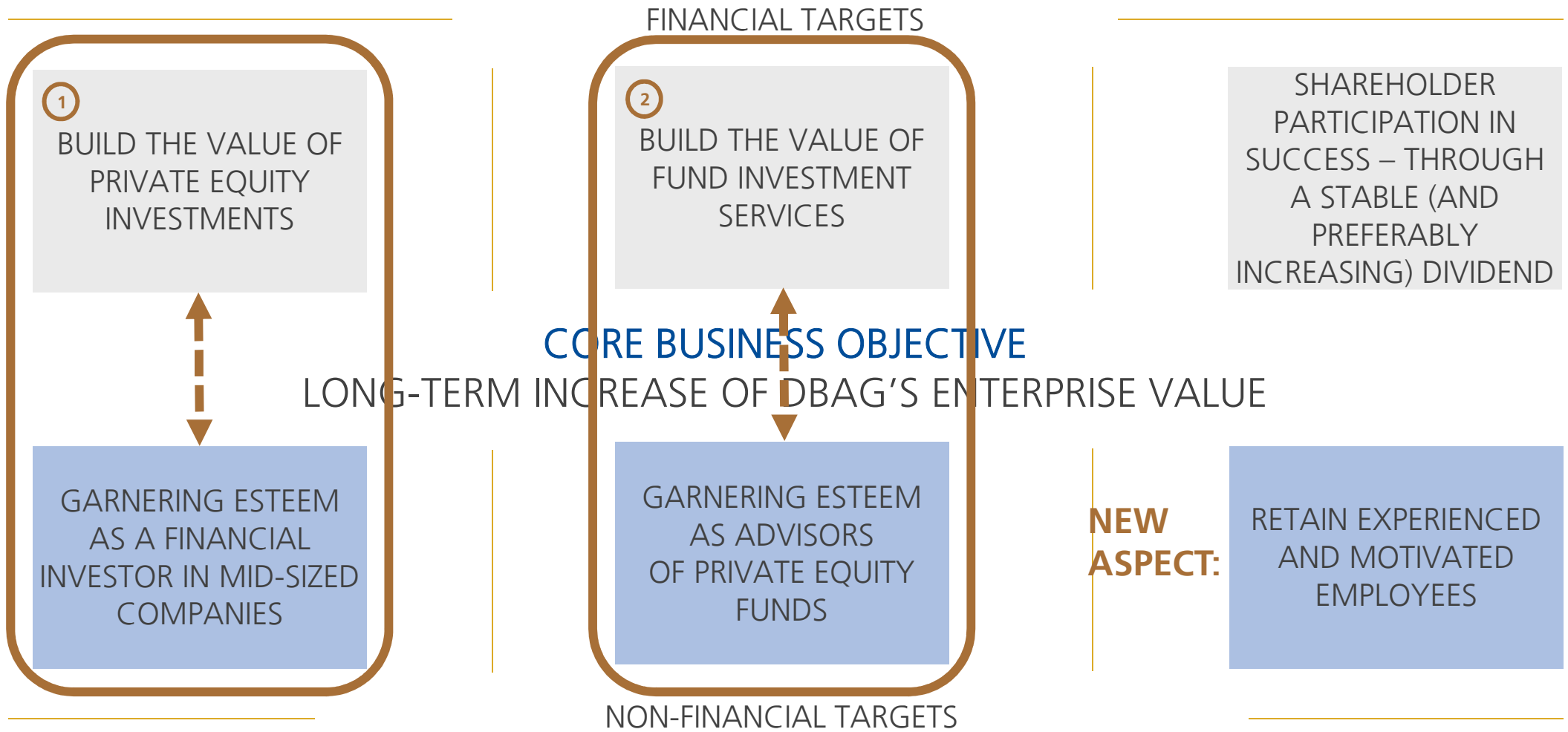


4.4

PER CENT DIVIDEND
YIELD¹

¹ The calculation is based on the average closing price of DBAG's shares in the financial year 2018/2019.

STRIKING AN EVEN BETTER BALANCE WHEN CONSIDERING ALL RELEVANT STAKEHOLDERS



CORE BUSINESS OBJECTIVE REMAINS UNCHANGED, METHOD FOR MEASURING TARGET ACHIEVEMENT ADJUSTED

To date: met, if return on equity surpasses cost of equity on a ten-year average

Going forward:

- › General Company value = sum of the values of the two business segments
- › Valuation, however, remains subjective
- › DBAG itself does not perform the valuations for its business segments, but provides the market with the basis for such a valuation
- › Market valuation is measured through performance for shareholders

Financial performance indicators:

GOING FORWARD:

Net asset
value

Earnings
generated by
Fund
Investment
Services

Performance
for
shareholders

TO DATE:

Net income

Return on
equity per
share

Performance
for
shareholders

SOME FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS HAVE BEEN ADJUSTED

BUILD THE VALUE OF PRIVATE EQUITY INVESTMENTS

GOING FORWARD:

Net asset value

TO DATE:

Portfolio value

BUILD THE VALUE OF FUND INVESTMENT SERVICES

GOING FORWARD:

Earnings generated by Fund Investment Services

TO DATE:

Volume of assets under management

SHAREHOLDER PARTICIPATION IN SUCCESS – THROUGH DIVIDENDS

Dividend per share

Dividend per share

GARNERING ESTEEM AS A FINANCIAL INVESTOR ACTIVE IN THE MITTELSTAND

GOING FORWARD:

Investment opportunities per year

TO DATE:

n/a

GARNERING ESTEEM AS ADVISORS OF PRIVATE EQUITY FUNDS

GOING FORWARD:

Capital commitments by investors in previous DBAG Funds (%)

TO DATE:

n/a

RETAIN EXPERIENCED AND MOTIVATED EMPLOYEES

GOING FORWARD:

Average length of service

TO DATE:

n/a

ECONOMIC ENVIRONMENT WARRANTS A CAUTIOUS OUTLOOK

	Actual 2018/2019	Forecast 2019/2020	Ambition for 2021/2022
Net asset value	472.1 million euros	Slightly lower	Significantly higher
Net income from Fund Investment Services	3.0 million euros	Significantly higher	Moderately higher
Dividend per share	€1.50	No change	No change
Investment opportunities p.a.	258	No change	No change
Capital commitments by investors in previous DBAG funds (in %)	> 75	No change	No change
Average length of service	7.6 years	No change	No change
Net income*	45.9 million euros	Moderately lower	Significantly higher

“slight”: +/- 0 to 10% “moderate”: +/- 10 to 20%

“significant”: > +/- 20%

* Typically, net income may fluctuate considerably, which is why reference is made to the average of the past five years (46.8 million euros) and other grading; “slight”: +/- 0 to 20% “moderate”: +/- 20 to 40% “significant”: > +/- 40%